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P O BOX 290 . NEOLA UTAH 84053 . (801) 353 4397

October 25, 1991

State of Utah, Department of Natural Resources Division of Oil, Gas, and Mining 355 West North Temple 3 Triad Center; Suite 350 Salt Lake City, Utah 84180-1203

RE: Application for Permit to Drill Ute 2-18A2 1300' FNL & 1150 FEL SW1/4 NE1/4 Sec. 18, T1S, R2W Duchesne County, Utah

Gentlemen:

The original and two copies of the APD for subject well are enclosed for your review and I trust your approval.

Pennzoil Exploration and Production Company requests that this APD and all related information submitted on this well be held confidential for that period of time permitted by regulations and law.

Please call the Pennzoil Production Office in Neola, Utah, at (801) 353-4397 for addition information.

Sincerely, Pennzoil Exploration and Production Company

DR Lankford

D.R. Lankford Petroleum Engineer

Enclosure

NOV 0.7 1935

OF GAS & MINING

Could sav of a provide if any

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING

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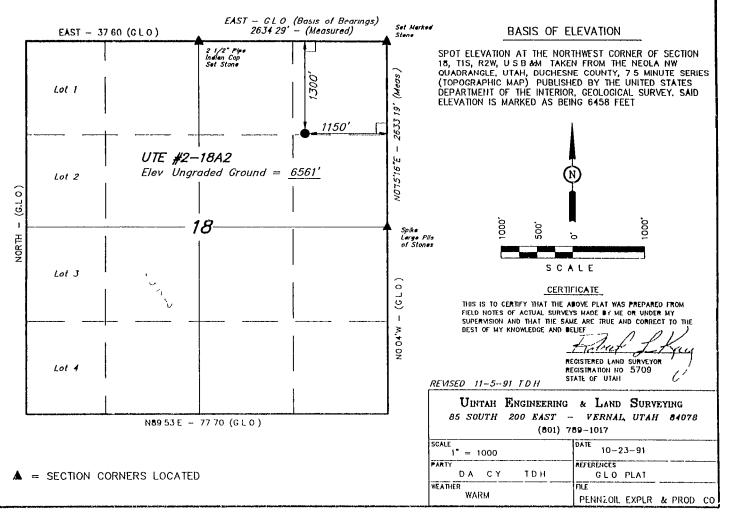
5 Least Designation and Secial Bio. DIVISION OF OIL, GAS, AND MINING 14-20-1162-1750 6 If Laban Allottee or Lithe Name APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK lite Tribal In. Type of Work Unit Agreement Name DRILL X DEEPEN [7] PLUG BACK [1] b Type of Well 양대 [2] va of Levic Nime 500 K K1 (;;; [] Other ULC 2 Name of Operator Well Ro Pennzoil Exploration and Production Company 2-18A2 3 Address of Operator 10 Field and Pool, or Wilde it P.O Box 290; Neola, Utah Location of Well (Report location clearly and in accordance with any At auriface Bluebell-Wasatch 🕦 🗸 Sec T R M, or Bik 1300' FNL and 1150' FEL At proposed prod 20ne Sec. 18, T1S, R2W Same 14 Distance in miles and direction from nevert town or post office. 12 County or Parrish 11 State 3.7 mt Past and 2.7 mt North of Bluebell, Utah

Distance from proposed property of the first of Duchesne Urah 16 No of neres in lense Ho of acres assigned to the well 640 20 Rotary or cable tools 15,300 357 Rotary 21 Elevations (Show whether DI RI GR etc.) 22 Approx date we-k will start. Dec 1, 1991 Ungraded Ground Elev 6561' PROPOSED CASING AND CEMENTING PROGRAM Size of Hola Size of Unsing Weight per Foot Setting Depth Quantity of Cement 3500 2546 cu.ft 13 1/2" 10 3/4" 40.5# $11,800^{\circ}$ 4215 cu.ft. 9 7/8" 711 26# 1/8" 511 18# 15,300 323 cu.ft. a. Certified Location Plat. Inclosed Attachments b. Diilling Plan. c. BOP Schematic. NOV 0 7 1991 d. Map showing roadway to Wellsite. Schematic of rig layout on location. PO MOISIVICE Water Permit will be secured prior to spudding well. OIL GAS & MINING An ATT has been prepared and copies have been sent to joint interest holders for their approval. IN ABOVE SPACE DESCRIBE PROPOSED PPOURAM. If proposal a to does not this back, a seld takin present to objective some and trotoxed new productive sone. If proposal is to drill or deepen directionally, a ve fertinent data on culosurface locations, and measured and true vertical depths. Give blavoud presenter program of any DR Lantihand Petroleum Engineer Title Appro of Date Perm t Ne Arpinsel by

PENNZOIL EXPLR. & PROD. CO.

Well location, UTE #2-18A2, located as shown in the NE 1/4 NE 1/4 of Section 18, T1S, R2W, U.S B &M Duchesne County, Utah

T1S, R2W, U.S.B.&M.



DRILLING PLAN

OPERATOR:

PENNZOIL EXPLORATION & PRODUCTION COMPANY

WELL:

Ute 2-18A2

WELL LOCATION: 1300' FNL & 1150' FEL

SW 1/4 NE 1/4 SEC. 18, T1S, R2W

Duchesne County, Utah

1. ESTIMATED TOPS AND IMPORTANT GEOLOGICAL FORMATIONS:

Top Green River	7351'
Green River Trona	8735'
Mahagony Bench	9554'
TGR 3	10,826'
CP 70	11,696'
TU 2	12,074
Wasatch 200	14,397'
Total Depth	15,300'

2. ESTIMATED OIL AND WATER DEPTHS:

Water	NONE ANTICIPATED
TU 2	Oil @ +12,074'
Wasatch 200	Oil @ $\pm 14,397'$

3. HOLE SIZE, CASING, AND CEMENT PROGRAM:

- A. CONDUCTOR HOLE: 0' 60'
 - a. Drill a 36" hole to 60'.
 - b. Set 16" conductor pipe.
 - c. Cement with ready mix concrete at 6 bags per yard.
- B. SURFACE HOLE: 60' 3500'
 - a. Drill a 13 1/2" hole to 3500'.
 - b. Set 10 3/4" 40.5# K-55/S-80 STC.
 - c. Cement to surface with a lead slurry of a low density filler and tail in with 200 sks. Class "G".
- C. INTERMEDIATE HOLE: 3500' 11,800'
 - a. Drill a 9 7/8" hole to 11,800'.
 - b. Set 7" 26# N-80/S-95 LTC.
 - c. Cement to surface with a DVT at approximately 9557'. First stage: 50/50 Poz "G" with additives tailored for depth and temp. Second stage: A lead cement from approx. 7051' to surface with a low density filler and tail in with a 50/50 Poz. "G" tailored for depth and temp.

- D. PRODUCTION HOLE: 11,800' 15,300'
 - a. Drill a 6 1/4" hole to 15,300'.
 - b. Hang a 5" 18# N-80 FL4S liner.
 - c. Cement liner with a Class "G" cement tailored for depth and temp.

4. OPERATOR'S PRESSURE CONTROL PLAN:

Figure no. 1 is a schematic of minimum BOP equipment.

The BOP equipment will be nippled up on the surface casing string and pressure tested prior to commence drilling.

- a. All rams and choke manifold will be tested to 5000 psi.
- b. Bag preventor will be tested to 50% of its rated working pressure.
- c. 7" casing strings will be tested to 4000 psi. or 0.2 psi/ft per depth, which every is greater.
- d. Record all BOP test on tour reports.
- e. Retest BOP stack every 28 days.
- f. Fill up line above the bag preventer.
- g. Kill line located below the double BOP rams.

Operational Checks:

- a. Pipe rams will be closed and opened once each 24 hours.
- b. Blind rams will be closed and opened each time the drill string is pulled from the well bore.

5. AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT:

- a. Upper and lower kelly cocks will be used.
- b A full opening drill pipe stabbing valve.
- c PVT equipment will be used to monitor the mud system when drilling the production hole.

6. PROPOSED DRILLING FLUID PROGRAM.

- A SURFACE HOLE: 60' 3500'
 - a. Drill from 60' to 3500' with a 36 viscosity in steel pits. Then continue drilling with fresh water, circulating reserve pit using lime and flocculate to keep fluid clean.
 - b. All severc water flows will be contain with barite and gel.
- B INTERMEDIATE HOLE 3500' 11,800'
 - a. Dirill out with fresh water circulating reserve pit using lime and flocculate as needed to keep fluid clean. Barite, polymers, and gel will be used as wellbore dictates due to pressure or hole condition.
 - b Final fluid properties. 9.5 ppg. gelled brine water.

C. PRODUCTION HOLE: 11,800'-15,300'

- a. Drill out with gelled brine mud system cut to 10 ppg. and continue until formation pressure dictates greater than 10 ppg. mud wt. At that time convert to fresh mud system. Barite, polymer, and gel will be used as wellbore dictates due to pressure and hole condition.
- b. Final fluid properties: 13.0/13.5 ppg. 40/55 vis. 8/10 wl. 20/30 yp.

7. WELL BORE EVALUATION.

a. CORING.
b. DRILL STEM TESTING:
c. LOGS: Production hole
None Anticipated
None Anticipated
Dial Induction Lateral
Gamma Ray

Formation Density
BHC-Sonic Micro-SFL
Four Arm Caliper

d. COMPLETION: The objective formation is one of the oil zones in the Wasatch Formation.

Selected intervals will then be perforated and evaluated for stimulation work.

8. PRESSURE AND TEMPERATURES.

- a. No abnormal pressure or temperature have been noticed or reported in wells drilled in this area.
- b. Estimated bottom hole temperatures . 250 degrees
- c. Estimated bottom hole pressure: 10,340 psi

9. ANTICIPATED STARTING DATE:

- a. Construction will probably start within 10 days of permit approval.
- b. The well will probably be spudded approx. May 1, 1992.

10. OTHER INFORMATION:

- a. Topography: Benches and washes. Locally flat ground atop an elevated bench.
- b. Soil Characteristics. Bentonitic clays, sand, and silt.
- c. Flora: Sage brush, Juniper, Cacti, and sparse grasses.
- d. Fauna Domestic: none

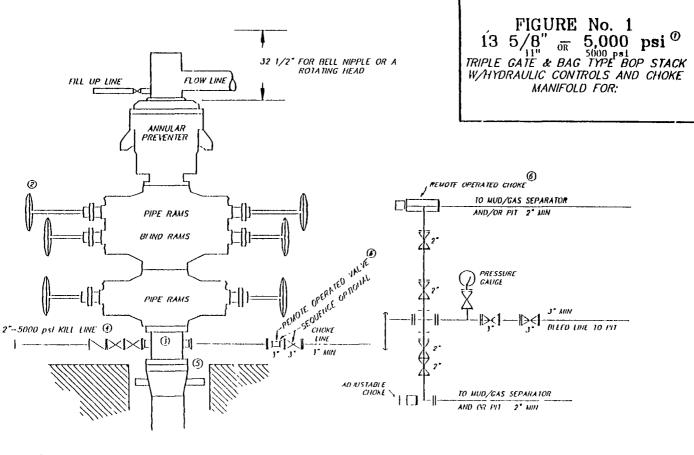
Wildlife: Deer, rodents, small reptiles

- e. Surface Use. seasonal cattle grazing.
- f. Surface Owner. Ute Tribe

11. LEASEE'S OR OPERATOR'S REPRESENTATIVE.

George P. SanFilippo, Vice President of Western Operations Danny L. Laman, Area Drilling Foreman (801) 353-4397

12 This well will be drilled per regulations as set forth by the Bureau of Land Management and the Utah Division of Oil, Gas, & Mining



- () = ALL BOP CONNECTIONS SUBJECTED TO WELL PRESSURE SHALL BE FLANGED WE'DED OR CLAMPED
- 2 = HAND WHEELS FOR EACH SET OF RAMS UNLESS EQUIPPED WITH AUTO LOCK.
- () = DRILLING SPOOL UNLESS BOTTOM BOP EQUIPPED WITH SIDE OUTLETS
- ② = KILL LINE W/2-2" VALVES & 1-2" CHECK VALVE WITH KILL LINE TO OU'ER EDGE OF THE SUB STRUCTURE
- (3) = 10P OF CASING HEAD FLANGE WILL BE AT GROUND LEVEL
- (6) = REMOTE CONTROLS ON RIG FLOOR

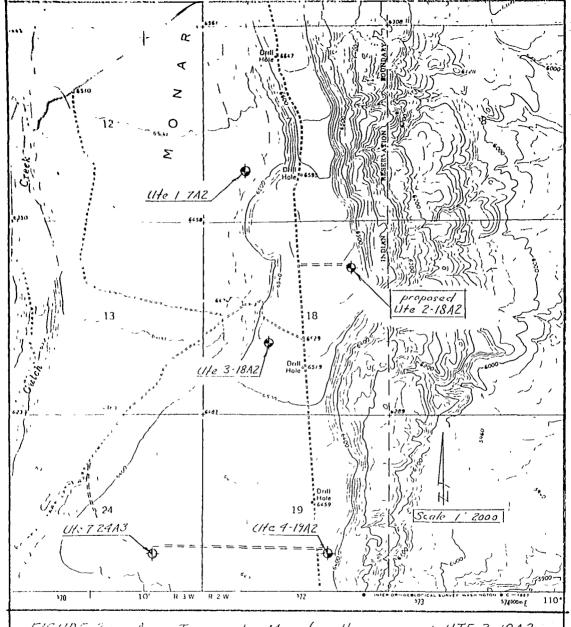
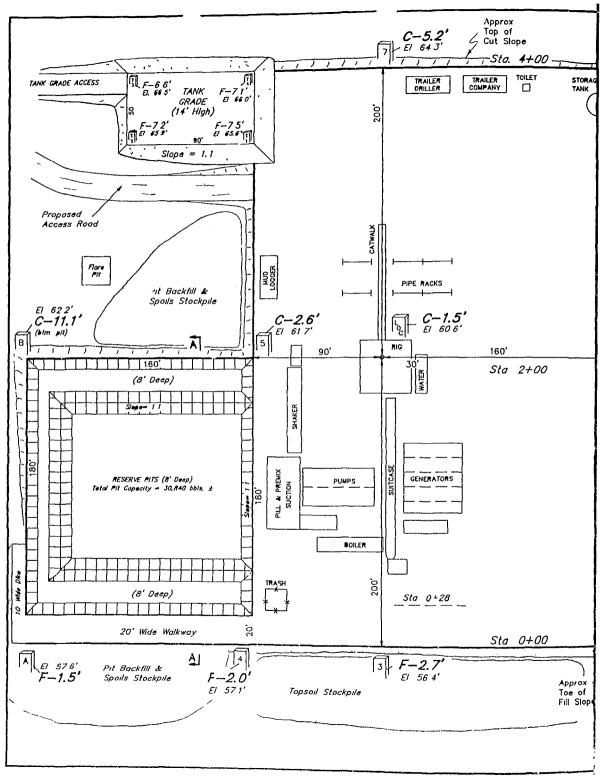
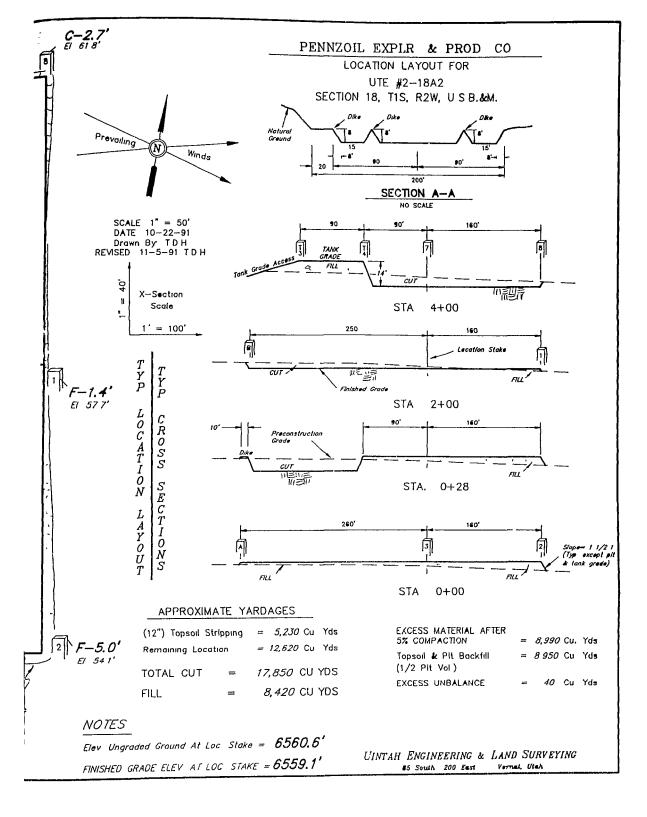


FIGURE 2: Area Topography Map for the proposed <u>UTE 2-18A2</u>
1800' FNL and 1150' FEL, Sec. 18, TIS, RZW, Duchesne County, Utah

Pennson Exploration and Production Co.





OPERATOR PURAZON Expl :	Purt CD N W885	DATE 11-13-91
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43 013 - 31 340 API NUMBER		(a) (b) E OF LEASE
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November 14, 1991

Pennzoil Exploration and Production Company P O Box 290 Neola, U'ah 84053

Gentlemen

Re <u>Ute 2-18A2 Well, 1300 feet from the north line, 1150 feet from the east line, NE 1/4</u> NE 1/4, Section 18, Township 1 South, Range 2 West, Duchesne County, Utah

Pursuant to Utah Code Ann § 40-6-6, (1953, as amended) and the order issued by the Board of Oil, Gas and Mining in Cause No. 139-42 dated April 17, 1985, approval to drill the referenced well is hereby granted

In addition, the following specific actions are necessary to fully comply with this approval

- 1 Compliance with the requirements of Utah Admin R 615-1 et seq , Oil and Gas General Rules
- Submittal to the Division of evidence providing assurance of an adequate and approved supply of water as required by Utah Code Ann § 73-3, Appropriations, prior to commencing drilling operations
- 3 Notification within 24 hours after drilling operations commence
- 4 Submittal of Entity Action Form, Form 6, within five working days following commencement of drilling operations and whenever a change in operations or interests necessitates an entity status change
- 5 Submittal of the Report of Water Encountered During Drilling, Form 7
- 6 Prompt notification prior to commencing operations, if necessary, to plug and abandon the well. Notify Frank R. Matthews, Petroleum Engineer, (Office) (801)538-5340, (Home) (801)476-8613, or R.J. Firth, Associate Director, (Home) (801)571-6068

Page 2 Pennzoil Exploration and Production Company Ute 2-18A2 Well November 14, 1991

7 Compliance with the requirements of Utah Admin R 615-3-20, Gas Flaring or Venting, if the well is completed for production

Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site should be submitted to the local health department. These drilling operations and any subsequent well operations should be conducted in accordance with applicable state and local health department regulations. A list of local health departments and copies of applicable regulations are available from the Department of Environmental Quality, Division of Drinking Water/Sanitation, telephone (801)538-6159

This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date. The API number assigned to this well is 43-013-31342

Sincerely,

Associate Director, Oil and Gas

ldc
Enclosures
cc Bureau of Land Management
J L Thompson
WOI1

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Use APPLICATION FOR PERMIT for such proposals 1 the Tilbal I WHIT AUBPAMENT HAME Shi 🗆 ";;; (X) armes S FARM OR LEASE NAME NAME OF OIERATOR Pennzoil Exploration and Production Company Ute trati so ADDRESS OF OPERATOR THEATHS OF NOTE (Report location charly and in accordance with any State regularments.) See also space 17 below.)
At surface. 2-18A2 TO FIELD AND LOOK OR WILLIAM Bluebell-Wasatch 1300' TNL and 1150' TEL Sec. 18, T1S, R2W 12 COUNTY OR TARIBIT, 13 BEATE 15 FIFFATIONS IShow Abother OF BY GR etc.)
6561 (GL) 14 LEBRUT NO 3.013-31341 Duchesne Utah 10 Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data NOTICE OF INTENTION TO STREEDIENT ARPORT THE OWNER DOWNERS TEST WATER BULL OFF VATER SHEET OFF SEE HER COMPLETE SHALTING TREAT SHOOT OF ACID 21 Х RELAIR WELL its of multiple completion on Well (Other) spletton Report and Log form 17 describe en ito to on contests especies at length proposed work. If well is directionally drilled givenent to this work.) including estimated date of statting and depths for all markers and gones parti-Pennzoil plans to change drilling depths for the subject well as permitted as shown below: Change Depth To Depth on APD 11,775 11,8001 Intermediate (asing Depth: 15,4501 15,300' lotal Depth DEC 1 6 1991 DIVISION OF OIL GAS * MINING 18 I beechy certify that the foregoing is true and correct Petroleur Ingineer IUNFO AR Cantistand (I'lls einer for rederal ur ate od e une)

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Form 2160-5 (June 1990)

Taval Abandonii ent Notice

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

	Budget Bureau No 1001-0135
5	Expires March 31, 1993 Lease Designation and Serial No.
	14-20-н62-1750

SUNDRY NOTICES, AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir

Use "APPLICATION FOR PERMIT—" for such proposals

6 If Indian Allottee or Tribe Name
Ute Tribal

sate Representant multip ecompletion in Well

CORM ADDROVED

SUBMIT	7 If Unit or CA Agreement Designation	
1 Type of Well X Well		8 Well Name and No
2 Name of Operator Pennzoil Exploration and	Production Company	9 API Well No
3 Address and Telephone No. P.O. Box 290; Neola, Utal		43 013 31342 10 Field and Pool or Exploratory Area
4 Tokation of Well (Footage 'c R M or Su vey Des		Bluebell-Wasatch
1300' FNL and 1150' FEL	(NE NY) Sec 18, 115, R2W	Ducl esne, Utah
CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, R	EPORT, OR OTHER DATA
TYPE OF SUBM 3SION	TYPE OF AC	TION
Note of Intent	Aban Loons of	Change of Plans
()	Recompletio	New Construction

(s) pict on or Recompleted Operations (Clearly state all perfused details and give pertunent details and give pertunent details and give pertunent to this work?)

(s) pict on or Recompleted Operations (Clearly state all perfused details and give pertunent to this work?)

See attached copy of 'Application to Appropriate Water'

TIGHT HOLE

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Approved by Conditions of approving it ins	Infl	Date
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representations as to text unit routh to its infisdiction		
	*See Instruction on Reverse Side	

FILING FOR WATER IN THE STATE OF UTAH

Fee Rec.
Receipt #

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APPLICATION TO APPROPRIATE WATER

Dall #

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Title 73, Chapter 3 of the Utah Code Annotated 1853, as amended.

WATER RIGHT HUMBER: 43 - 10314 TEMPORARY APPLICATION NUMBER: T65/U6

1. OWNERSHIP INFORMATION:

LAND OWNED? No

A. NAME: Jim Nebeker Trucking Company ADDRESS: Rt. 2 Box 2060, Roosevelt, UT 84066

B. PRIORITY DATE:

October 24, 1991

FILING DATE: October 24, 1991

2. SOURCE INFORMATION:

A. QUANTITY OF WATER: 20.0 acre-feet

B. DIRECT SOURCE:

Unnamed pond

COUNTY: Duchesne

C. POINT OF DIVERSION -- SURFACE:

DIVERT WORKS:

(1) S 300 feet E 300 feet from Nł corner, Section 16, T 1S, R 3W, USBM

Pump water into tank trucks

SOURCE:

Unnamed pond

3. WATER USE INFORMATION:

Oll EXPLORATION: from Nov 1 to Mar 31. Drilling and completion of 3 Ute Tribal wells for Pennzoil.

Ute Tribal 5-19A2 Ute Tribal 2-24A2 Ute Tribal /-18A2

4. PLACE OF USE: (which includes all or part of the following legal subdivisions:)

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5. EXPLANATORY:

Pond is on Charles Hansen property. Letter of authorization is attached.

Form 3160 5 UNI (June 1990) DEPARTMEN BUREAU OF SUNDRY NOTICES Do not use this form for proposals to de Use "APPLICATION FO	Budget Bureau No. 1004-0135 Expires. March 31, 1993 5 Leave Designation and Serial No. 14-20-1162-1750 6 If Indian Allottee or Tribe Name ULe Tribal	
1 Type of Well X Well		Well Name and No Ute 2-18 42
Pennzoil Exploration and 3 Address and Telephone No P.O. Box 290, Neola, Ut. 4 Location of Well (Footage, Sec. 7 R., M., or Survey E		9 API Well No 43 013 31342 10 Field and Pool, or Explicatory Area Bluebell—Wasatch
1300' FNL and 1150' FEL	(NT NE) Sec. 18, T1S, R2W	Duchesne, Utah
12 CHECK APPROPRIATE BOX	(s) TO INDICATE NATURE OF NOTICE, REPO	RT, OR OTHER DATA
TYPE OF SUBMISSION	TYPE OF ACTION	
☐ Notice of Inlent ☐ Subsequent Report ☐ Final Abandonment Notice	Abatalogucoi Recompletion Pluggling Back Casing Repair Altering Casing	Change of Plans New Construction Non Routine Fracturing Water Shir Off Conversion to Injection
give subsurface locations and measured and true verif	Other Water Permit Ill pertinent details and give pertinent dates including estimated date of startin cal depths for all markers and zones pertinent to this work y of 'Application to Appropriate Vater'	
	TIGHT	JAN 16 KM
		JAH 1 6 1892 BINISIONET OIL GAS & THE MC
14 I hereby certify that the foregoing is true and correct Signed	Tale Petroleum Engineer	Date1/13/92
(This space for Federal or State office use) Approved by Conditions of approval, if any	Title	Date

FILING FOR WATER IN THE STATE OF UTAH

KII UY	
Fee Rec	
Receipt #	
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For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Title 73, Chapter 3 of the Utah Code Annotated 1953, as amended.

WATER RIGHT NUMBER: 43 - 10314 TEMPORARY APPLICATION NUMBER: T65705

1. OWNERSHIP INFORMATION:

LAND OWNED? No

A. NAME: Jim Nebeker Trucking Company ADDRESS: Rt. 2 Box 2060, Roosevelt, UT 84066

B. PRIORITY DATE: October 24, 1991

FILING DATE: October 24, 1991

2. SOURCE INFORMATION:

A. QUANTITY OF WATER: 20.0 acre-feet

B. DIRECT SOURCE: Unnamed pond

COUNTY: Duchesne

C. POINT OF DIVERSION -- SURFACE:

(1) S 300 feet E 300 feet from Ni corner, Section 16, T 18, R 3W, USBM DIVERT WORKS: Pump water into tank trucks

SOURCE:

Unnamed pond

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OIL EXPLORATION: from Nov 1 to Mar 31. Drilling and completion of 3 Ute Tribal wells for Pennzoil.

Ute Tribal 5-19A2 Ute Tribal 2-24A2 Ute Tribal 2-18A2

4. PLACE OF USE: (which includes all or part of the following legal subdivisions')

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5. EXPLANATORY:

Pond is on Charles Hansen property. Letter of authorization is attached.

Form 3160 5 (June 1990)

Do

Final Abandonment Notice

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

5 Lease Designation and Serial No.

14-20-1162-1750 6 If Indian, Allottee or Tribe Name

CONDITI TO HOLD HELD ONLY ON WELLS						
not use this form for proposals to drill or to deepen or reentry to a different reservoir						
Lice "ADDLICATION FOR REPAIT." for such proposals						

Ute Tribal

Water Shut Off

Disnote Water

USB "APPLICATION FO	H PEHMIT — Tor such proposals	
SUBMIT	IN TRIPLICATE	7 If Unit or CA Agreement Designation
1 Type of Well		
V Well Gas Other		8 Well Name and No
2 Name of Operator		Ute 2-18 42
Pennzoil Exploration and	d Production Company	9 API Well No
3 Address and Telephone No		43 013 31342
P.O. Box 290; Neola, Uta	ah 84053	10 Field and Pool or Exploratory Area
4 Location of Well (Lootage Sec. T. R. M. or Survey D.		Bluebell-Wasatch
		11 County or Parish, State
1300' FNL and 1150' FEL	(NE NE) Sec. 18, 118, R2W	Duchesne, Utah
CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, RE	PORT, OR OTHER DATA
TYPE OF SUBMISSION	TYPE OF ACT	ПОИ
Notice of Intent	Abandonment	Change of Hans
_	Recompletion	New Construction
Subsequent Report	Plugging Back	Non Routine Fracturing

(Nee Reportes of the completion of Details and give pertunent dates including estimated date of starting any proposed work. If well is directionally distled give subsurface locations and measured and true vertical depits for all markets and zones pertunent to this work.)

Casing Repair

Other Water Permit

See attached copy of 'Application to Appropriate Water'.

JAN 1 6 1772

TAMORPHE TO THE TAME OF TAME OF THE TAME OF THE TAME OF TAME OF THE TAME OF TAME OF THE TAME OF TAME O

TIGHT HOLE

14 Thereby certify that the foregoing is true and correct

Signed A Landbland Trife Petroleum Engineer Date 1/13/92

(This space for Federal or State office use)

Approved by Conditions of approval if any

FILING FOR WATER IN THE STATE OF UTAH

+	Rci. by
	Fee Rec
	ecelpt #
Mici	offimed

APPLICATION TO APPROPRIATE WATER

Roll #

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Title 73, Chapter 3 of the Utah Code Annotated 1953, as amended

WATER RIGHT NUMBER: 43 - 10314 TEMPORARY APPLICATION NUMBER: T65706

OWNERSHIP INFORMATION:

LAND OWNED? No

Jim Nebeker Trucking Company ADDRESS: Rt. 2 Box 2060, Roosevelt, UT 84066

B. PRIORITY DATE:

October 24, 1991 FILING DATE: October 24, 1991

SOURCE INFORMATION:

JEN 16 8 9

QUANTITY OF WATER: 20.0 acre-feet

В. DIRECT SOURCE: Unnamed pond

ALSOICE. THE CLEAR DRIVING COUNTY: Duchesne

POINT OF DIVERSION -- SURFACE:

(1) S 300 feet E 300 feet from Ni corner, Section 16, T 15, R 3W, USBM

DIVERT WORKS: Pump water into tank trucks

SOURCE:

Unnamed pond

WATER USE INFORMATION:

OIL EXPLORATION: from Nov 1 to Mar 31. Drilling and completion of 3 Ute Tribal wells for Pennzoil.

Ute Tribal 5-19A2 Ute Tribal 2-24A2 Ute Tribal 2-18A2

PLACE OF USE: (which includes all or part of the following legal subdivisions:)

				NÕI	₹П.	-EAS	571		NOI	₹ŤIŦ	-WES	511		SOL	JTH.	WE:	ST∤	SOL	JTH-	EAS	111
BASE	NWOT	RANG	SEC	NE	NW	SW	SE		NE	NW	SW	SE		NE	ИW	SW	SE	 NE	NW	SW	SE
US	15	2W	18	X	X	X	X	***	X	X	X	X		X	X	X	_ X	 X	X	X	<u> </u>
υs	18	2W	19	X	X	X	X	-	_ X	X	X	X		X	X	<u>X</u>	_ X	 _ X	Χ.	X	<u> </u>
US	ls	3₩	24	X	_X	X	X		_χ_	X	X	X	222	_X	X	<u> X</u>	_ X	 X	X	X	_X

5. EXPLANATORY:

Pond is on Charles Hansen property. Letter of authorization is attached.

(Other Instructions on reverse side)

Form approved, Budget Bureau Ne, 1004-0136 Expires August 31, 1925

UNITED STATES DEPARTMENT OF THE INTERIOR

			pau Ne. Pust 31,	1004 , 19 8 5	0136
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BUR		14-20-н62-			
APPLICATION FOR PE	RMIT TO DRILL,	DEEPEN, OR PLUG	BACK	FINDIAN ALLOTTES	
LE TIPE OF W. R			-	Ute Triba	
DRILL 1	DEEPEN	PLUG BA	ox 🗀 📗	. OWL TORRESON NO	
OIL EVET GAR ETT		SINGLE NLLTH	·• 🗆 -	S FARM OR LEAGE NAM	
2 NAME OF OPERATOR	OTARE	20/18 🕮 20/18		Üte	
Pennzoil Exploration	n and Production	Company	-	I) WELL NO	
3 ADDRESS OF OPERATOR				2-18A2	
P.O. Box 290; Neola		,		10 FIELD AND POOL OF	
4 LOCATION OF WELL (Report location of	learly and in accordance wit	th any State requirements *)	_	Bluebell-War	
1300' FNL and	1150' FEL (NE	NE)		11 SEC T.B M.ORB	IX SA
At preposed pred some same	-	13-(15-3/54)		Sec. 18, T1	5, R2W
Same	FROM MEAREST TOWN OR POS	T OFFICE*		12 COL YTT OR PARISH	
3.7 mi. East and 2.	/ ml. North of B	luebell, olan	<u> </u>	Duchesne	Utah
IS DISTANCE FRUM PROPUSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT LAISO TO RESTEND THE UNIT HE IF S	1150'	640	17 00 OF	ACRES ASSIGNED 640)
15 DISTANCE FROM PROPOSED LOCATIONS TO NEMBEST WELL DRILLING COMPLE OR APPLIED FOR ON THIS LEARS PT		19 PROPOSED DEPTH	20 AUTART	ON CABLE TOULS	
		15,300'	<u> </u>	Rotary	
21 ELEVATIONS (Show whether DF RT, G	ded Ground Elev.	. 6561'		Dec. 1.	
Uliga		AND CEMENTING PROGRA		nec. 1,	
					-
SIZE OF HOLE BIZE OF CA		· · · · · · · · · · · · · · · · · · ·	·	JI ANTITT OF CLUEY	
9.7/8" 10.3/	26	' <u>3500'</u>		2546 cu.fr. 4215 cu.fr.	
6 1/8" 5"	18 /	15,300'		323 (1916)	
•		13,300		2,5 2 to 10 1	719
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	3 1 mag 16	opography Yap showin ap showing surround			الم والأ
JAN 2 2	h. Locati	on Map showing prop	osed Pro	duction Facil	íties.
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2 -irst dav produ	ction and comple	t a report to be s	ibritted	by Sunary So	tice.
NAME OF A PACE DESCRIBE PROPOSED PROG					
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SIGNED DR Loudeton		Petroreum Eng	gincer	_ 2412 10/	22/91
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APPROVED BY SOURCES	Lenetral III	ASSISTANT DISTRICT		JAN	1 5 1992
ONDITIONS OF APPROVAL IF ANY		CONDITIO	NS OF AP	PROVAL ATTACHI ORS COPY	ED
NOTICE OF APPRO	JVAL	11	O OL FILM	0,10 001 1	

CONDITION OF APPROVAL

The Interior Board of Land Appeals (IBLA) has ruled that the decision to approve an APD may be appealed under 43 CFR Part 4.21(a), by adversely affected parties. These appeal rights are further modified by 43 CFR Part 3165.3(b) which makes the decision, if contested, first subject to a State Director Review.

A <u>Plan Conformance/NEPA Compliance Record</u> has been completed on this Application for Permit to Drill (APD).

If the decision to approve the APD is contested under 43 CFR Part 3165.3(b), the operator will be immediately notified that no further action can be taken (unless otherwise directed by the authorized officer for protection of surface and subsurface resources) and cannot be resumed until the State Director has issued a decision on the Review. If the State Director rules favorably, the operator may be authorized to resume activities, but must recognize there is still the risk under 43 CFR Part 4.21(a) of an appeal to IBLA

Any adversely affected party who contests a decision of the Authorized Officer may request an administrative review before the State Director. Such requests, including all supporting documentation, shall be filed with the appropriate State Director within twenty (20) business days from the date such decision was considered received. Upon request and showing good cause, an extension for submitting supporting data may be granted by the State Director Requests for administrative review should be sent to: State Director, Bureau of Land Management, Utah State Office, P.O. Box 45155, Salt Lake City, Utah 84145-0155.

CONDITIONS OF APPROVAL APPLICATION FOR PERMIT TO DRILL

Company/Operator: Pennzoil Exploration & Production Co

Well Name & Number <u>Ute 2-18A2</u>

Lease Number: <u>14-20-H62-1750</u>

Location NENE Sec 18 T 1S R 2W

Surface Ownership Tribal Lands administered by BIA

NOTIFICATION REQUIREMENTS

Location Construction at least forty-eight (48) hours prior to

construction of location and access roads

Location Completion prior to moving on the drilling rig

Spug Notice at least twenty-four (24) hours prior to

spudding the well

Casing String and at least twenty-four (24) hours prior to running

Cementing casing and cementing all casing strings

BOP and Related at least twenty-four (24) hours prior to

Equipment Tests initiating pressure tests

First Production within five (5) business days after new well Notice begins, or production resumes after well has

begins, or production resumes after well has been off production for more than ninety (90)

days

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A <u>DRILLING PROGRAM</u>

1 <u>Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered</u>

Report <u>ALL</u> water shows and water-bearing ands to Tim Ingwell of this office. Copies of State of Utah form GCC-8-X are acceptable. If noticeable water flows are detected, submill samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential

2 Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of onshore Oil and Gas Order No 2 for equipment and testing requirements, procedures, etc., and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request

3 Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint

As a minimum, the usable water resources shall be isolated and/or protected by having a cement top for the intermediate casing at least 200 ft above the base of the usable water zone, identified at \pm 3826 ft

4 Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

Electronic/mechanical mud monitoring equipment shall be utilized while drilling below the surface casing shoe to total depth and shall include a pit volume totalizer (PVT), stroke counter and flow sensor

5 Coring, Logging and Testing Program

Dan' drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the

A cement bond log (CBL) shall be utilized to determine the \underline{top} of cement (TOC) and bond quality for the intermediate casing and production liner.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AD

6 Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations

Operator shall report production data to MMS pursuant to 30 CFR 216 5 using form MMS/3160

<u>Immediate Report</u>: Spills, blowouts, fires, leaks, accidents, or any other unusual accurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) days following the date on which the well is placed on production

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer—Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost

A schematic facilities diagram as required by 43 CFR 3162 7-2, 3162 7-3, and 3162 7-4 shall be submitted to the appropriate District Office within thirty (30) days of installation or first production, whichever occurs first All site security regulations as specified in Onshore Oil & Gas Order No 3 shall be adhered to All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162 7-4

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be

obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AD within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

7 Other Information

All loading lines will be placed inside the berm surrounding the tank battery

All off-lease storage, off-lease measurement, or commingling onlease or off-lease will have prior written approval from the AO.

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried or anchored down from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO Safe drilling and operating practices must be observed. All wells whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162 3-2

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162 4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or

allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed "

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162 4-1(b)(5)(11)

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period

In the event after-hours approvals are necessary, please contact one of the following individuals

Gerald E Kenczka (801) 781-1190 Petroleum Engineer

Ed Forsman (801) 789-70/7 Petroleum Engineer

BLM FAX Machine (801) 789-3634

FPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum tiuck rinsate, sandblast media, painting wastes, spend solvents, spilled chemicals, and waste acids

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids

B SURFACE USE PROGRAM

1 Planned Access Road

The road shall be constructed/upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Construction/upgrading shall include ditching, draining, graveling, crowning, and capping the roadbed as necessary to provide a well constructed safe road Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry Traveling off the 30 foot right-of-way will not le completely Road drainage crossings shall be of the typical dry allowed Crossings shall be designed so they creek drainage crossing type will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts Upgrading shall not be allowed during muddy conditions mud holes develop, they shall be filled in and detours around them avoided

2 Location of Existing and/or Proposed Facilities

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee All facilities will be painted within 6 months of installation Facilities required to comply with 0 S H A (Occupational Safety and Health Act) will be excluded

The required paint color is Juniper Green

3 Location and Type of W.* r Supply

Water is to be trucked from Charlie Ha.sen's pond, located in the NWNE of Section 16, 115, R3W

4 Methods for <u>Handling Waste Disposal</u>

The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. The shale shakers will also be placed over the edge of the liner.

The plastic nylon reinforced liner shall be torn and perforated after the pit dries and before backfilling of the reserve pit

After first production, produced waste water will be confined to a lined pit or storage tank for a period not to exceed ninety (90) days. During the 90 day period, in accordance with NTL-2B, an application for approval of a permanent disposal method and location, along with required water analysis, shall be submitted

for the AC's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance.

5 <u>Fencing Requirements</u>

All pits will be fenced according to the following minimum standards.

- a 39-inch net wire shall be used with at least one strand of barbed wire on top of the net wire (barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence)
- b The net wire shall be no more than 2-inches above the ground. The barbed wire shall be 3-inches above the net wire. Total height of the fence shall be at least 42-inches.
- c Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times
- d Standard steel, wood, or pipe posts shall be used between the corner braces Maximum distance between any two posts shall be no greater than 16 feet
- e All wire shall be stretched, by using a stretching device, before it is attached to the corner posts

The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until clean-up

6 Other Additional Information

Operator's employees, including subcontractors, will not gather firewood along roids constructed by operators. If wood cutting is required, a permit will be obtained from the Forestry Department of the BIA pursuant to 25 CFR 169-13 "Assessed Damages Incident to Right-of-Way Authorization". All operators, subcontractors, vendors and their employees or agents may not disturb saleable timber (including firewood) without a duly granted wood permit from the BIA Forester.

All Jads constructed by operators on the Uinta and Ouray Indian Reservation will have appropriate signs. Signs will be neat and of sound construction. They will state (a) that the land is owned by the Ute Indian Iribe, (b) the name of the operator, (c) that firearms are prohibited to all non-Ute Tribal members, (d) that permits must be obtained from the BIA before cutting firewood or other timber products and (e) only authorized personnel permitted.

7 Additional Stipulations

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance

A complete copy of the approved APD and ROW grant, if applicable, shall be on location during construction of the location and drilling activities

MINITED STATES GOVERNMENT MEMORANDAM

DATE JAN 0: 1082

REPLY TO

Superinterdent, Uintan and Ouray Agency

**SUBJECT Concurrence Letter for Pennzoil Exploration & Production Corp - Ute =2-18*1, CVNE, Sec. 18, T1S-P2W

TO Edieau or Land Management, Jernal District Office Attention of David Little

's recommend approval of the Application for Permit to Drill on the stylesh well

Cased a available information received on <u>December 34, 1991</u>, we have cleared the proposed location in the following areas of environmental impact

7 <u>5</u> 3		 Listed threatened or endangered species
"EC	_ <u></u>	 Critical wildlife habitat
Εç	.0	 Promaeological or bultural resources
.EJ	.13	 Air quality aspects (to be used only if
		 Project is in or adjacent to a Class I
		ar-a of -ttainment'
188	10	ther (if necessary)

nerapis Real attalled En Indremental Analysis

-j/20

PENNZOIL EXPLORATION AND PRODUCTION COMPANY

P. O. BOX 290 • NEOLA, UTAH 84053 • (801) 353 - 4397

1/14/92 D. R Lankford

DOGM:

Find 3 copies each, water permits for

1. Ute 2-24A3 2. Ute 2-18A2

Thanks,

VAN 1 6 1992

Form 3160-5 (June 1990)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED Budget Bureau No. 1004-0135 Expires: March 31, 1993

5. Lease Designation and Serial No.

14-20-062-1750

SUNDRY NOTICES Do not use this form for proposals to d Use "APPLICATION FO	6. If Indian, Alloite or Tribe Name Ute Tribal		
SUBMI	T IN TRIPLICATE	7. If Unit of CA, Agreement Designation	
1 type of Well Quartic Gax Gax Other 2 Name of Operator Pennzoil Exploration are Address and Telephone No. P.O. Box 290; Neola, Ut A Loxation of Well (Footage, Sec., T. R., M. or Survey) 1300' FNL and 1150' FEL CHECK APPROPRIATE BOX	Well Name and No. Ute 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2		
TYPE OF SUBMISSION	TYPE OF ACTION		
Subsequent Report Final Abandonment Notice 3. Describe Proposed of Completed Operations (Clearly value)	Abandonment Recompletion: Plugging Back Casing Repair Altering Casing Other APD Extension Request	Change of Plans New Construction Non-Routine Fracturing Water Shut-Off Conversion to Injection Dispose Water Note Report results of multiple completion on Well Completion or Excompletion Report and Log form.)	

APD's for the subject well were approved by the Utah DOGM on Nov. 15, 1991 and by the BLM on Jan. 15, 1992.

Drilling location has been built complete except for the reserve pit.

Pennzoil plans to drill the well at an undetermined later date. extension for the APD for an additional period of 12 months.

9-16-92 SEP 1 4 1992 OIL GAS & MINING TICHT HOLE

4. I hereby certify that the foregoing is true and correct		
Signed BR Lond day	Tale Petroleum Engineer	Date 9/11/92
(This space for Federal or State office use)		
Approved by Conditions of approval, if any	Title	Date

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements Or representations as to any matter within its jurisdiction

FEBRUARY 8, 1994

TO: WELL FILE

FROM: K. M. HEBERTSON

RE: Status, Ute 2-18A2 43-013-31342 18- 1S- 2W

Per telephone conversation with the operator concerning the status of this well, it was determined that the well will not be drilled and the operator has acknowledged that the APD has expired. The operator has been informed that the APD will need to be refiled in order to drill this well at a future date.

As of the above date the APD has been rescanded and the file sent to the La archives.

КМН



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal District Office 170 South 500 East Vernal, Utah 84078-2799

3162 UT08438

March 6, 1995

Don R. Lankford Pennzoil Exploration & Production Co P O Box 290 Neola, UT 84053

Laid Hebern

Re: Notification of Expira. n Well No 2-18A2 Section 18, T1S, R2W Lease No 14-20-H62-1750 Duchesne County, Utah

OF OIL, GAS & MINING

43-013-31342.

Dear Mr Lankford

The Application for Permit to Drill the above-referenced well was approved on January 15, 1992 Applications for Permit to Drill are effective for a period of one year Pennzoil was granted a 12 month extension ending January 15, 1994, as the drilling location was built complete except for the reserve pit

In 1994, Pennzoil requested a second 12 month extension which was approved with the stipulation that no further drilling extensions be allowed, and that if the drilling of the well was not initiated prior to January 15, 1995, the well pad and pit would be rehabilitated as required in the Application for Permit to Drill According to our records there has been no further drilling at this location. Therefore this office is notifying you the approval of the referenced application has expired If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted

All surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office within 60 days from the date of this letter. Your cooperation in this matter is appreciated.

Sincerely,

Howard B Cleavinger II
Assistant District Manager

for Minerals